

JUL 13 '99

2-15PM

LAWRENCE W. BIERLEIN  
DOUGLAS M. CANTER  
JOHN M. CUTLER, JR.  
ANDREW P. GOLDSTEIN  
STEVEN J. KALISH  
KATHLEEN L. MAZURE  
HARVEY L. REITER  
DANIEL J. SWEENEY

LAW OFFICES  
McCARTHY, SWEENEY & HARKAWAY, P.C.  
1750 PENNSYLVANIA AVE., N. W.  
SUITE 1105  
WASHINGTON, D. C. 20006  
(202) 393-5710

FACSIMILE  
(202) 393-5721

E-MAIL  
MSH@MSHPC.COM

WEBSITE  
HTTP://WWW.MSHPC.COM

OF COUNSEL  
WILLIAM I. HARKAWAY

July 13, 1999

Surface Transportation Board  
1925 K Street, N.W.  
Washington, DC 20423

Dear Sir or Madam:

Enclosed for filing recordation with the Board are a certified copy and one counterpart of the document described below, to be recorded pursuant to the ICC Termination Act, 49 U.S.C. § 11301.

This document is a Security Agreement between Michigan BIDCO, Inc., Lender, and Escanaba and Lake Superior Railroad Company, Borrower. It is a primary document.

The names and addresses of the parties to this document are as follows:

Michigan BIDCO, Inc.  
5220 U.S. 31 North  
Acme, MI 49610, Lender

Escanaba and Lake Superior Railroad Company  
One Larkin Plaza  
Wells, MI 49894, Borrower

The equipment covered by this document are 12 locomotives, 14 passenger and passenger service cars, 10 ballast cars, and assorted rail maintenance rolling stock, as shown on Schedule A to the Security Agreement.

This document should be indexed as:

SECURITY AGREEMENT for locomotives, passenger equipment, ballast cars, and track maintenance rolling stock between Michigan BIDCO, Inc., Lender, and Escanaba and Lake Superior Railroad Company, Borrower, dated July 9, 1999.

*Kelly Ann Kogan*

- 2 -

Also enclosed is a check in the amount of \$26.00 as the required filing fee.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andrew P. Goldstein". The signature is fluid and cursive, with the first name "Andrew" and last name "Goldstein" clearly distinguishable.

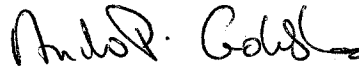
Andrew P. Goldstein

Enclosures

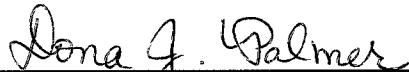
APG/rmm

## CERTIFICATE

I, Andrew P. Goldstein, hereby certify that I am an attorney duly admitted in the District of Columbia, and am a member in good standing of the Bar of the District of Columbia, and that I have, this 13th day of July 1999, compared the enclosed copy of a certain Security Agreement, dated as of April 30, 1999, with the original document and certify that it is complete and identical in all respects to the original document.



\_\_\_\_\_  
Andrew P. Goldstein



\_\_\_\_\_  
Notary Public

My commission expires: March 14, 2003

## SECURITY AGREEMENT JUL 13 '99

2-15 PM

(General Commercial)

THIS AGREEMENT, made this 9 day of July, 1999, by and between Michigan BIDCO, Inc., a Michigan Business and Industrial Development Corporation, of 5220 US 31 North, Acme, Michigan 49610 (hereinafter referred to as "Bank") and Escanaba and Lake Superior Railroad Company, a Michigan corporation of One Larkin Plaza, Wells, Michigan 49894 (hereinafter referred to as "Borrower").

It is contemplated that Borrower may from time to time request loans from Bank and that the Bank may, at its election, comply with any such request, in whole or in part.

NOW, THEREFORE, for and in consideration of any loan (including any loan by renewal or extension) hereafter made to Borrower by the Bank, or any release hereafter made by the Bank of any Collateral and for other good and valuable consideration, the parties hereto agree as follows:

**Definitions.** When used herein the following terms shall have the following meanings:

**1. "Indebtedness: means and includes:**

- a. all indebtedness and liabilities of whatsoever kind, nature and description owed to Bank by Borrower, whether direct or indirect, absolute or contingent, due or to become due or whether now existing or hereafter arising, and howsoever evidenced or acquired, and whether joint or several, and including, without limitation;
- b. all future advances which the Bank at any time may, but shall not be required to, make for the protection or preservation of the Bank's rights and interests arising hereunder, including, without limitation, advances for taxes, levies, assessments, insurance, and reasonable attorneys' fees; and
- c. all costs and expenses incurred by the Bank in the protection and preparation for sale of any of its collateral including, without limitation, attorney's fees and court costs.

**Grant of Security Interest**

2. To secure the payment of the Indebtedness, Borrower grants Bank and its successors and assigns, a security interest in all of the Borrower's property described below (herein the "Collateral"), which is marked below by an "X" of a check mark in the applicable box or boxes, together with all accessions and additions to, replacements, substitutions, proceeds of and products therefrom as defined by Section 9-306(1) of the Michigan Uniform Commercial Code, as from time to time amended (herein the "Code") including, without limitation, insurance proceeds.
- [ ] a. All accounts, instruments, general intangibles and chattel paper, now owned or hereafter earned or acquired by Borrower, as those terms are defined by Section 9-105(1)(b), 9-105(1)(i) and 9-106 of the Code, including, without limitation, the right to receive payment for utilities provided by Borrower, together with computer software, tapes, discs and other computer records evidencing such accounts and (or)
- [ ] b. All inventory, as defined in Subsection 9-109(4) of the Code, now owned or hereafter acquired by Borrower including, but not limited to, (describe types of items of inventory) and (or)
- [ ] c. All equipment, as defined by Subsection 9-109(2) of the Code, now owned or hereafter acquired by Borrower; OR
- [X] d. (alternate to subparagraph 2.c) The following specific items of equipment Set Forth on Schedule A attached hereto, now owned by Borrower, and any replacements for the same hereafter acquired by Borrower; and (or)
- [ ] e. All equipment, as defined by Subsection 9-109(2) of the Code, and all other goods (also referred to as "equipment" which have been, or hereafter become, fixtures by annexation to the realty described on Schedule A attached hereto, now owned or hereafter acquired by Borrower; OR
- [ ] f. (alternate to subparagraph 2.e) The following specific items of equipment, which have become FIXTURES by annexation to realty described in Schedule A (Attach), now owned by Borrower, and any replacements for the same hereafter acquired by Borrower (describe particular items of equipment) and (or)
- [X] g. Other property (describe items of property). See Schedule A attached hereto.

**Warranties.**

3. Except as disclosed in writing to Bank, prior to signing this Agreement, Borrower warrants that it owns all of the Collateral free from any prior liens, security interests, or encumbrances of any kind, other than liens for taxes not delinquent.
4. Borrower warrants that defenses, right of set off, and counterclaims, if any, available to account debtors do not affect a material amount of the total Indebtedness evidenced by any accounts, instruments, general intangibles, and chattel paper, now owned by Borrower and give as Collateral herein.
5. Borrower warrants that all information, including but not limited to financial statement and tax identification number furnished by Borrower to Bank, heretofore or hereafter, whether oral or written, is and will be true and correct as of the date given.

**General Covenants**

6. Borrower agrees to pay when due all taxes and insurance relating to the Collateral. If Borrower fails to do so, Bank may do so and Borrower agrees to immediately reimburse Bank for any payment so made, plus interest, at the rate borne by the Indebtedness.
7. During the term of this Agreement, Borrower agrees to maintain Collateral having a value at all times at least equal to the amount of the Indebtedness. For purposes of this computation, accounts should be valued according to the balance owed by the account debtor, except that accounts which the Bank deems uncollectible shall be excluded from the valuation. For purposes of this computation, the rest of the Collateral shall be valued at cost, depreciated value or market value, whichever is less.
8. During the term of this Agreement, Borrower shall not subject the Collateral to any security interest on liens, other than Bank's and shall not permit any lien other than liens for taxes not delinquent to attach to it.
9. Subject to the exception set forth in paragraph 27, Borrower shall not sell or lease, not offer or attempt to sell or lease or otherwise dispose of any portion of the Collateral without prior written consent of the Bank. The creation of a security interest in proceeds is not construed to give Borrower any right to dispose of the Collateral.
10. Borrower will insure the Collateral against risk of damage, destruction and theft in an amount and manner satisfactory to Bank, naming Bank as loss-payee as its interest may appear. All policies of insurance, together with any loss-payable endorsements, shall be delivered to Bank at Bank's request. If Borrower fails to obtain and keep such insurance in force, or fails to pay the premiums thereon, Bank may do so for

Borrower's account, and Borrower agrees to immediately reimburse Bank for any payments so made, plus interest at the rate borne by the Indebtedness.

11. Borrower agrees to notify Bank immediately if any of the Collateral is destroyed, suffers any substantial damage or is stolen, and the uninsured loss EXCEEDS ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00).
12. Borrower agrees to keep the Collateral in good repair and not to subject it to any alteration or modification that would materially and adversely affect its resale value.
13. Borrower agrees that the Collateral shall be located at Borrower's principal place of business (registered or main office of Borrower if a Corporation or Partnership) shown at the end of this Agreement or, if the Collateral is rolling stock, it should be located within the boundaries set forth on Schedule B attached hereto. Borrower agrees not to remove the Collateral from this location without Bank's prior written consent. Additionally, Bank is authorized to inspect all Collateral wherever located at any reasonable time or times; and Borrower, if requested by Bank, shall either assist Bank in making any such inspection or assemble the Collateral for inspection at a location designated by Bank.
14. Borrower shall not permit any item of Collateral, other than the Collateral described in paragraph 2.e, to become attached to real property in such a manner as to become a fixture.
15. Borrower shall comply with all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all environmental laws, ordinances, rules and regulations and shall keep the Collateral free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. The Collateral listed on Schedule A shall be maintained and used by Borrower in compliance with all applicable statutes, governmental regulations, and rules or regulations of the Association of American Railroads ("AAR Rules"). Borrower will at all times while this Agreement is in effect maintain the Collateral in good working order. The Collateral shall not be used for the loading or transportation of any corrosive commodity.
16. Borrower shall comply with all applicable federal, state and local laws, ordinances, rules and regulations concerning minimum wages, overtime laws, and payment of withholding taxes, and deliver to Bank such reports and information in form satisfactory to Bank as Bank may request from time to time to establish compliance with such laws.

**Covenants with respect to Accounts, Instruments, General Intangibles and Chattel Paper.**

If box 2.a is marked or checked, paragraphs 18 through 26 are applicable.

17. Borrower agrees that in the case of any instrument, accounts, or chattel paper, resulting from transactions occurring subsequent to the date of this Agreement, the defenses, right of setoff and counterclaims available to account debtors, will not at any time affect more than two percent (2%) of the total indebtedness secured by such accounts, instrument or chattel paper.
18. In case of any account or instrument, Borrower agrees not to release or enter into any agreement reducing the liability of any account debtor or parties liable under any instrument or chattel paper subject thereto, except for return of goods and to settle bona fide disputes with such parties.
19. If any dispute arises with respect to the liability of any account debtor, or if the collectability of any indebtedness evidenced by any account, instrument, or chattel paper, becomes questionable, Borrower agrees to immediately report the fact of such dispute or question of collectability to Bank when the amount of liability in question or dispute exceeds 2% of total Indebtedness secured by such accounts, instrument or chattel paper.
20. When requested by Bank, Borrower agrees to furnish within ten (10) days after the end of each calendar month, an ageing of its outstanding accounts, showing the names and addresses of all account debtors and, with respect to each account, the balance owed and the date(s) of origination in respect to amounts outstanding. Borrower agrees that Bank by its agents' may inspect its books and records at reasonable intervals during business hours.
21. If box 2.a if marked or checked and box 2.b above is not marked or checked, Borrower shall not subject its inventory to any security interest taken by any third party unless the security agreement executed by Borrower expressly provides that the security interest taken shall not extend to any accounts, instrument, general intangibles or chattel paper, realized as proceeds from the sale or other disposition of such inventory.
22. Borrower hereby represents and warrants that all accounts now owing to it are valid and enforceable for and on account of bona fide deliveries of merchandise, services, or both, that no negotiable instrument has been taken or negotiated regarding the same, that no judgment, order or decree has been entered regarding any of said accounts, and that none of said accounts have even been sold, transferred or assigned to any other person or persons.
23. Borrower will hold in trust for Bank all payments received on the accounts, all rights by way of suretyship or guaranty which Borrower may have to enforce payment of said accounts by any person other than the direct obligor, all rights in the nature of a security interest whereby Borrower may satisfy any of said accounts out of property and all property acquired through enforcement of such a security interest.
24. Upon written notice from Bank to Borrower, Borrower will:
  - a. deliver to Bank immediately all payments received on its account in the form received and all property in its possession or thereafter coming into its possession through enforcement of a security interest.
  - b. endorse to Bank all checks, drafts and other orders which are payments received on said accounts;
  - c. upon demand, deliver to Bank all accounting records pertaining to its accounts, all instruments evidencing accounts, and all instruments in its name; and any security for payment of any account, and execute such further assignments as Bank may require to enforce such instruments in its name; and
  - d. do all acts necessary or appropriate to substitute Bank in any legal proceedings then pending in the name of Borrower to enforce payment of any account or to realize upon any security held for any account.
25. Borrower, upon the occurrence of any default under this Agreement, does hereby make, constitute and appoint Bank, its true and lawful attorney for it, and in its name, place and stead to endorse or negotiate any check, bill or exchange, draft or other instrument representing payment in whole or in part, of the accounts in which a security interest has been assigned to Bank, giving and granting to Bank full power and authority to do and perform any act required by Borrower, by the terms of this Agreement. Upon the occurrence of an unremedied act of default, Bank obtains, by virtue of the Security Agreement and without further documentation, irrevocable power of attorney of Borrower to possess, use, control, transport and repair any item of Schedule A Collateral at Borrower's expense, and to issue directives to tariff publication representatives, other railroads, the AAR, and other persons that may be necessary to implement those powers, direct the return of any Schedule A Collateral to Bank, or change any data in the AAR UMLER file pertaining to the Schedule A Collateral.

**Covenants with respect to Inventory.**

If box 2.b is marked or checked, paragraphs 27 and 28 are applicable.

26. Until the occurrence of a default by Borrower and Borrower under any note or agreement delivered in connection herewith, Borrower may, in the ordinary course of business, make sales of its inventory and apply the receipts from such sales, and the proceeds from other sales and from collections made on its accounts, chattel paper and instrument to the necessary expenses of doing business. Sales in the ordinary course of business do not include a transfer in satisfaction in whole or in part, of any existing indebtedness.

27. If box 2.b is marked or checked and box 2.a above is not marked or checked, Borrower shall not subject its accounts, general intangibles, and chattel paper, to any security interest taken by any third party unless the security agreement executed by Borrower expressly provides that the security interest taken shall not extend to any account, general intangible or any chattel paper, realized as proceeds from the sale or other disposition of such inventory.

**Covenants with respect to Fixtures.**

If box 2.e or 2.f is marked or checked paragraphs 29 and 30 are applicable.

28. If collateral has been or will be affixed to property in such a way that it has or may become a part of the realty, from which it will not be removed without Bank's prior written consent, Borrower agrees to provide Bank on execution of this Agreement and from time to time as is warranted by changed in the Borrower's business operation, with a schedule as required in paragraphs 2.e or 2.f, providing Bank with such information as is required by Bank to perfect its security interest in fixtures.
29. Borrower agrees to deliver, on execution on this Agreement, a subordination agreement, in such form as Bank may prescribe, by the owner of the realty, if a party other than Borrower, and any holder of any mortgage or other interest of any kind in or with respect to the realty, subordinating each such party's right to those of Bank as holder of a security interest in any Collateral described in paragraph(s) 2.e or 2.f.

**Filing.**

30. At request of Bank, Borrower agrees to join with Bank, in executing such documents as are necessary to perfect the Bank's security in the Collateral, including but not confined to, one or more Code Financing Statement(s) in form satisfactory to Bank, and pay the cost of filing same in all offices where Bank considers filing to be necessary. Without prior consent of Bank, Borrower shall not allow and adverse financing statement covering any of the Collateral to be on file with any public office. Borrower will deliver or cause to be delivered to Bank, any certificate of title to the Collateral with security interest of Bank noted thereon. To the extent permitted by applicable law, Borrower hereby grants Bank authority on its behalf to execute, file or record any document necessary to perfect the Bank's security interest in the Collateral.

**Affirmation of Warranties and Representations.**

31. By Borrower applying for any loan secured by this Agreement, Borrower reaffirms all warranties and representations previously set forth in this Agreement.

**Default.**

32. The happening or occurrence of any of the following shall constitute a default within the meaning of this Agreement.
- a failure to pay any Indebtedness; or
  - default in the performance of any duty imposed by this Agreement, by any loan agreement pursuant to which the Indebtedness was incurred, or by any promissory note evidencing the Indebtedness; or
  - the making of any warranty, representation or statement made or caused to be made by Borrower to Bank in connection with this Agreement proving to be untrue in any material respect; or
  - the disposition of Collateral in any manner not expressly permitted by Bank under this Agreement; or
  - any theft of, or substantial damage to, any of the Collateral, if uninsured, or the making of any levy; or
  - the issuance of any writ or garnishment naming the Bank as garnishee defendant, obtained by any judgement creditor of Borrower or Borrower; or
  - the change or alteration of any reporting marks on any of the Collateral set forth on Schedule A.

**Remedies.**

33. Upon the occurrence of any default under this Agreement, all of the Indebtedness, at the option of Bank, shall become immediately due and payable without any notice or demand by Bank. Bank shall, in addition, have all the remedies of a secured party under the Code or other applicable law, including, with limitation thereto, the right and authority to do so in its name, or in the name of the Borrower, all things with reference to the Collateral that Borrower might have done but for this Agreement, including:
- the right to collect, sue and receipt for all sums of money or the proceeds due or to become due to Borrower in connection with any of the Collateral;
  - the right to endorse in Borrower's name any checks, drafts, orders, notes or other instruments payable to Borrower which Borrower or Bank may receive in connection with any of the collateral.
  - the right to settle, adjust and compromise all present and future claims arising out of the Collateral;
  - the right to dispose of the Collateral at either public or private sale or sales either as a lot or lots, or by individual item, in the sole discretion of the Bank after first giving Borrower reasonable notice of the time and place of any public sale, or of the date after which a private sale will be made.
  - the right to immediate possession of the Collateral and the right to copy Borrower's books and records pertaining to the Collateral without court order; and
  - if box 2.e or 2.f is marked or checked, the right to remove any of the Collateral described in the attached schedule, from the realty to which it is affixed, without any liability to Borrower for any resulting physical damage to the realty; and
  - the right to demand Borrower or any party in control of the Collateral listed on Schedule A to return any item of Collateral listed on Schedule A as directed by Bank to a point within Five Hundred (500) miles of Escanaba, Michigan, at Borrower's expense, in the same condition as Borrower is required to maintain said Collateral under the terms of this Agreement.

**Continuance of Agreement.**

34. This Agreement shall continue in full force and effect, and shall bind Borrower with respect to any advance Bank may hereafter make, notwithstanding that Borrower may from time to time to fully satisfy its Indebtedness to Bank, so long as any financing statement heretofore or hereafter, filed by Bank against Borrower referring to any Collateral to which this Agreement relates shall remain in force.

**Other Provisions.**

35. Proceeds derived from the sale, disposition or collection of the Collateral or the proceeds thereof, shall first be applied to the expense of sale, disposition, collection and reasonable attorney's fees and legal expenses. If the proceeds are not sufficient to satisfy the Indebtedness, Borrower and Borrower shall be liable for any deficiency and agrees to pay same forthwith.
36. Borrower authorizes Bank to correct patent errors and omissions in this Agreement and in the note or notes executed in connection herewith. The rights granted hereunder are cumulative and in addition to any other rights Bank may have by agreement or under applicable law.

37. Bank's rights hereunder shall inure to the benefit of its successors and assigns, and all duties of Borrower shall bind its successors and assigns.
38. No waiver of any default of the terms, conditions and warranties hereof shall operate as a waiver of any other default, term, condition, or warranty of the same default, term, condition or warranty on a future occasion. The neuter pronoun, when used herein, shall include the masculine and feminine and also plural.
39. This Agreement shall in all respects be governed by and constructed in accordance with the laws (including conflict of law rules) of the State of Michigan.
40. The phrase "Michigan Uniform Commercial Code" means Act 174 of the Michigan Public Acts of 1962, as from time to time amended. Except as otherwise herein provided, the terms used in the Agreement shall have the meaning assigned to them in Article 9, or absent definition in Article 9, in any other Article of the Michigan Uniform Commercial Code.
41. If there is more than one Borrower, all undertakings, warranties and covenants made by Borrower and all rights, powers and authorities given to, or conferred upon Bank shall be made or given jointly and severally.
42. Borrower's principal place of business (registered or main office if Borrower is a corporation or partnership) is located at the address stated at the end of this Agreement. Until Bank is advised in writing by Borrower to the contrary all notices, requests and demands required hereunder or by law, shall be given to or made upon Borrower at said principal place of business. Borrower will give Bank prompt written notice of any change in its principal place of business.
43. Upon the occurrence of any default, Bank may setoff any of Borrower's deposit balances, or any other indebtedness of Bank to Borrower against the Indebtedness without first having recourse to the Collateral for satisfaction of the Indebtedness.
44. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.
45. Nothing contained in this Agreement shall be deemed or construed as creating a partnership or joint venture between the Bank and any other person or cause the Bank to be responsible in any way for the debts or obligations of the Borrower or any other person.
46. This Agreement is personal to the parties hereto and is for the sole benefit and is not made for the express or implied benefit of any other person or entity.
47. Any appraisal of the Borrower's property obtained in connection with this Agreement is for the sole benefit of the Bank, and does not constitute a representation of value of such property by the Bank to the Borrower.


**Additional Provisions.**

48. The Loan secured by this lien was made under a United States Small Business Administration (SBA) nationwide program which uses tax dollars to assist small business owners. If the United States is seeking to enforce this document, then under SBA regulations:
- h) When SBA is the holder of the Note, this document and all documents evidencing or securing this Loan will be construed in accordance with federal law.
  - i) Lender or SBA may use local or state procedures for purposes such as filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using these procedures, SBA does not waive any federal immunity from local or state control, penalty, tax or liability. No Borrower or Guarantor may claim or assert against SBA any local or state law to deny any obligation of Borrower, or defeat any claim of SBA with respect to this Loan.
- Any clause in this document requiring arbitration is not enforceable when SBA is the holder of the Note secured by this instrument.
49. Borrower is expressly prohibited from changing any of the reporting marks as shown for the Collateral on Schedule A, without the prior written approval of Bank.

This Agreement has been duly executed as of the day and year first above written.

MICHIGAN BIDCO, INC.

ESCANABA AND LAKE SUPERIOR RAILROAD COMPANY

By:   
Charles S. McDowell  
Its: Executive Vice President

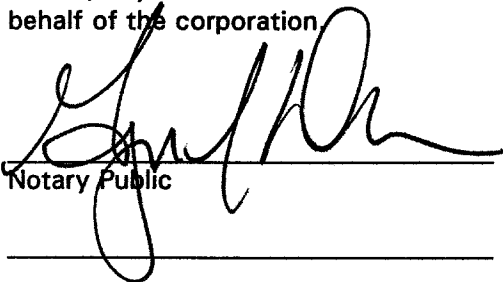
By:   
John Larkin  
Its: President

TIN #: 38-6005107

Address: 5220 US 31 North  
Acme, Michigan 49610

Address: One Larkin Plaza  
Wells, Michigan 49894

On this 9 day of July, 1999, before me personally appeared Charles S. McDowell, who, by me duly sworn, says that he is the Executive Vice President of Michigan BIDCO, Inc., a Michigan non-profit corporation, on behalf of the corporation.



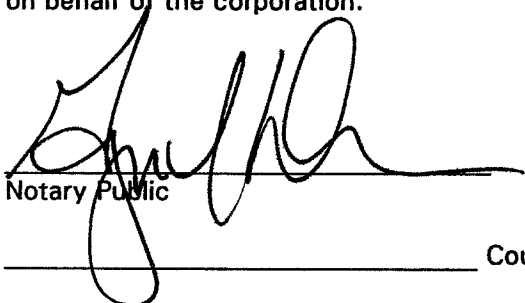
Notary Public

GREGORY J. DONAHUE, NOTARY PUBLIC  
GRAND TRAVERSE COUNTY MICHIGAN  
MY COMMISSION EXPIRES: 03/03/2003

\_\_\_\_\_ County:

My Commission Expires:

On this 9 day of July, 1999, before me personally appeared John Larkin, who, by me duly sworn, says that he is the President of Escanaba and Lake Superior Railroad Company, a Michigan Corporation, on behalf of the corporation.



Notary Public

GREGORY J. DONAHUE, NOTARY PUBLIC  
GRAND TRAVERSE COUNTY MICHIGAN  
MY COMMISSION EXPIRES: 03/03/2003

\_\_\_\_\_ County:

My Commission Expires:



# SCHEDULE A

elsscoll

## ESCANABA LAKE SUPERIOR RR COLLATERAL & SERIAL NUMBER

| Desc.                         | Serial<br>Number | Markings   |
|-------------------------------|------------------|------------|
| Locomotive 401 - 1889-GP38    |                  | CR 7809    |
| Locomotive 201-Baldwin        | BN 73956         | C & H 201  |
| Locomotive 202-Baldwin        | BN 73957         | C & H 202  |
| Locomotive 204-Baldwin        | BN 74777         | C & H 204  |
| Locomotive 207-1952 Baldwin   | 7908             |            |
| Locomotive 214-1953 Baldwin   | 75788            |            |
| Locomotive 209-1952 Baldwin   | 7909             |            |
| Locomotive 210-1952 Baldwin   | 7910             |            |
| Locomotive 211-1952 Baldwin   | 7911             |            |
| Locomotive 212-1952 Baldwin   |                  | 212        |
| Locomotive 1205-1951 Baldwin  |                  | D&H 1205   |
| Locomotive 1216-1952 Baldwin  |                  | D&H 1206   |
| I Series Sleeper Cars         |                  | MLRX 00182 |
|                               |                  | MLRX 00183 |
|                               |                  | MLRX 2000  |
|                               |                  | MLRX 2005  |
|                               |                  | MLRX 2009  |
|                               |                  | MLRX 2017  |
|                               |                  | VIA 2007   |
|                               |                  | JB 2704    |
|                               |                  | GN 1082    |
|                               |                  | 254        |
| Passenger Dome Car -1951 Pull |                  | ELS-1348   |
| Dolly Madison Parlor Car      |                  | ELS-1100   |
| Baggage Car                   |                  | ELS-1101   |
| Diner 1348 - 1953 Pullman     |                  | ELS-1103   |
| Sleeper Car                   |                  | ELS 3035   |
| Sleeper Car                   |                  | ELS 3039   |
| Sleeper Car                   |                  | ELS 3041   |
| Sleeper Car                   |                  | ELS 3043   |
| Ballast Cars - 10 - 65 ton    |                  | ELS 3045   |
|                               |                  | ELS 3047   |
|                               |                  | ELS 3049   |
|                               |                  | ELS 3051   |
|                               |                  | ELS 3053   |
|                               |                  | ELS 3055   |
| Track Equipment               |                  |            |
| Jackson Model Tamper 6000     | 139347           |            |
| Tamper 2600                   | 132580           |            |
| Tamper 2300                   | 117189           |            |
| Tie Inserter - Model 925      | 142405-142406    |            |
| Burro Crane                   | 5AC-V-200-Z      |            |
| Two Fruehauf Trailers         | 2ME-021701       |            |
|                               | 2ME-021702       |            |

## **SCHEDULE B**

### **Collateral Location**

**All collateral shall remain in the Upper Peninsula of Michigan and the State of Wisconsin.**